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COMMUNITY DEVELOPMENT

Planning,
Zoning,
Building Safety,
Construction Inspection Services,
Public Health,
Housing Inspections,
Code Enforcement

Date: March 13, 2018
To: Mayor and City Council
From: Dave Gobin, Community Development Director
Cc: Gregg Mandsager, City Administrator
Re: Federal Opportunity Zone Designation

INTRODUCTION: With the recent federal tax law changes this year a new program has emerged. We've been exploring on our own and have been encouraged by some of the City Councilors and the Iowa Economic Development Agency (IEDA) to submit through them for some of the areas of the City of Muscatine to be declared Opportunity Zones.

BACKGROUND: Using Federal Census Tracts, we can incentivize development in declared Opportunity Zones by offering tax benefits that go above and beyond our current programs, such as Muscatine/Mercer County revolving loan fund, our Small Business Forgivable Loan program, commercial and residential tax abatements and the Building Improvement Loan program. This would also allow the City to still use TIFs as incentives for further development.

There is no cost to the City to have areas of the community to be a federally declared Opportunity Zone nor is this a grant.

RECOMMENDATION: Staff would like to request that Council allow us to proceed with pursuing this application.